

II. ORDERING PROCEDURES FOR MSA SERVICE CONTRACT

This user guide is designed to help the ordering agency with the final selection of a contractor. In addition to procedures listed in this user guide, the ordering agency's internal contract procedures also must be followed. **State Agencies must also comply with and work in conjunction with the California Office of HIPAA Implementation (CalOHI).** For more information please see their website: www.ohi.ca.gov.

A. CONTRACTOR SELECTION

1. Project's Statement of Work

After defining the project and working in conjunction with The California Office of HIPAA Implementation (CalOHI), the agency then develops a statement of work that is as clearly defined as possible. Include the following:

- a. Description of Project;
- b. Deliverables and Timelines;
- c. Travel to Multiple Locations, if required;
- d. Selection Criteria --lowest cost or best value (high point award);
- e. Due Date for Submitting Proposal;
- f. California Small Business Certification, if required;
- g. Performance Bond (agencies need to indicate if the selected contractor will be required to purchase a Performance Bond before the start of the project).

Again working in conjunction with CalOHI, the ordering agency shall receive at least **three written proposals for contracts less than \$500,000, including one from a small business/DVBE if available**, and at least **six written proposals for contracts greater than \$500,000, including one from a small business/DVBE if available**. For a sample of a Request for Offer, please check the Forms section of this document. The ordering agency will submit the SOW to CalOHI for posting on the CalOHI website. Each SOW will be posted a minimum of 5 working days. The period may be extended at the request of the Department.

Exceptions to the above contractor selection process are:

- 1) State agencies can contract for consulting services with a value between \$5,000 and \$100,000 as long as the agencies obtain project proposals from two or more certified small businesses in the appropriate service category or categories and awards to a small business.
- 2) State agencies can contract for consulting services with a value up to \$5,000 by selecting one firm from the appropriate category or categories.

2. Contractor's Response to Statement of Work

The responses submitted by the contractors must include the following:

- a. Procedures/Methods to accomplish the agency's project in a Statement of Work;
- b. Detailed Budget;

- c. Resumes and classification of contractor's staff working on the project including the same information for subcontractors;
- d. Copy of current California Small Business Certification, if required;
- e. Identify the percentage of work to be done by the primary and sub contractors;
- f. Performance Bond, if required.

Note: the budget should list the number of hours by task and classification, hourly rate and total for each contractor's personnel and/or subcontractor working on the project. The hourly rates for listed subcontractors cannot be higher than the published rates for the prime contractor.

If the project covers more than one service category/subcategory and the consultant has different contracted hourly rates for them, the budget must list the number of hours that the contractor's personnel will work in each category/subcategory. It also must list the different rates for each category/subcategory when developing the project's budget.

3. Final Selection of Contractor

The ordering agency should form a team to review the submitted responses. If the ordering agency is using "best value" to select the contractor, the criteria used should be quantifiable. Examples of selection criteria might include experience, staffing, availability to complete project within the requested timeframe, total cost of project, etc. Each response must be evaluated on the same basis. See **Section VI, FORMS**, for a sample **Contractor Evaluation and Selection Form**.

If the ordering agency is using "lowest cost" to select the contractor, the MSA service order is awarded the contractor that submitted the lowest cost quote.

Note: If ordering agency sends the statement of work to three or more suppliers and receives only two written proposals, it must determine and document if the proposals are reasonable and as to why only two proposals were received. Assuming the explanations are reasonable, then the MSA Service Contract can be issued on the basis of the selection criteria.

The selection process can include conference call interviews or face-to-face interviews as well as a review of the contractor's written response. After the selection is made, simply notify the consultants of your selection. Ordering agencies must document such selection and keep all pertinent documents in their contract file.

The California Office Of HIPAA Implementation (CalOHI) will be responsible for ensuring that ordering agencies follow the selection process outlined in this guide. Ordering agencies shall retain documentation of the selection process, criteria, and decision for approval by CalOHI.

4. Award and Protest

The ordering state agency must follow any applicable internal procedure for awarding the MSA order. Any protest of an award of the MSA order is not considered valid as the MSA was already competitively bid.

B. EXECUTING MSA SERVICE CONTRACT

1. Preparation of Contract (refer to Section VI, Forms)

Following their individual department/agency contracting procedures, State Agencies should use the state Standard Agreement (STD.213 and STD. 215) to initiate the MSA Service Contract. The ordering agency's DGS billing code must be listed on the Std. 213 state form.

The required exhibits are:

- a. Statement of Work with Deliverables and Timelines
- b. Budget Detail and Payment
- c. Ordering Agencies' Special Terms and Conditions that relate to specific order agency's programs. **DO NOT CHANGE OR REPEAT THE TERMS AND CONDITIONS OF THIS MSA.**
- d. Consultant resumes and classifications (including subcontractors)

Note: The MSA contract language with DGS is incorporated by reference and is not attached to the ordering agency's contract.

2. Processing of Contracts

a. State Agencies

1) Contracts <\$50,000

- (a) **Obtain approval from CalOHI** (use HIPAA Contract Approval and Transmittal Form located in Section VI. FORMS).
- (b) Follow individual department/agency's procedure for distributing completed contracts.
- (c) Send a copy of the completed contract and a copy of the Contractor Evaluation and Selection Form to the DGS/PD Attn.: Technology Acquisitions, HIPAA Contract Administrator.
- (d) Send a copy of the completed contract to CalOHI.
- (e) Send a copy of the completed contract to the State Controllers Office.

2) Non-IT Contracts >\$50,000

- (a) **Obtain review/approval from Cal-OHI** (use HIPAA Contract Approval and Transmittal Form located in Section VI. FORMS).
- (b) **Obtain review/approval from DGS** (use HIPAA Contract Approval and Transmittal Form located in Section VI. FORMS).
- (c) STD. 213, and STD. 215 (follow the existing Standard State Contracting process).
- (d) Send a copy of the completed contract along with a copy of the Contractor Evaluation and Selection Form to the DGS/PD Attn.: Technology Acquisitions, HIPAA Contract Administrator.
- (e) Send a copy of the completed contract to CalOHI.
- (f) Send a copy of the completed contract to the State Controllers Office.
- (g) If over \$250,000 send an approved Notice of Contract Award (NCA) along with DGS's copy of the completed contract and the Contractor Evaluation

and Selection Form to the DGS/PD Attn.: Technology Acquisitions,
HIPAA Contract Administrator.

3) IT Contracts > \$250,000

- (a) **Obtain review/approval from Cal-OHI** (use HIPAA Contract Approval and Transmittal Form located in Section VI. FORMS).
- (b) STD. 213, and STD. 215 (follow the existing Standard State Contracting process).
- (c) Send a copy of the completed contract along with a Notice of Contract Award (NCA) and a copy of the Contractor Evaluation and Selection Form to the DGS/PD Attn.: Technology Acquisitions, HIPAA Contract Administrator.
- (d) Send a copy of the completed contract to CalOHI.
- (e) Send a copy of the completed contract to the State Controllers Office.

4) IT Contracts > \$500,000

- (f) **Obtain review/approval from Cal-OHI** (use HIPAA Contract Approval and Transmittal Form located in Section VI. FORMS).
- (g) **Obtain review/approval from DGS** (use HIPAA Contract Approval and Transmittal Form located in Section VI. FORMS).
- (h) STD. 213, and STD. 215 (follow the existing Standard State Contracting process).
- (i) Send a copy of the completed contract along with a Notice of Contract Award (NCA) and a copy of the Contractor Evaluation and Selection Form to the DGS/PD Attn.: Technology Acquisitions, HIPAA Contract Administrator.
- (j) Send a copy of the completed contract to CalOHI.
- (k) Send a copy of the completed contract to the State Controllers Office.

5) IT & Non-IT Contracts >\$5,000,000

- (a) **Obtain Non-Competitive Bid (NCB) Contract Justification approval** (Complete NCB and obtain required signatures; forward to DGS/PD Technology Acquisitions for approval; DGS will submit to Department of Finance for subsequent approval).
- (b) **Obtain review/approval from Cal-OHI and DGS** (use HIPAA Contract Approval Form located in Section VI. FORMS).
- (c) Send a copy of the completed contract along with a Notice of Contract Award (NCA) and a copy of the Contractor Evaluation and Selection Form to the DGS/PD Attn.: Technology Acquisitions, HIPAA Contract Administrator.
- (d) Send a copy of the completed contract to CalOHI.
- (e) Send a copy of the completed contract to the State Controllers Office.

6) Additionally, all state agencies must obtain approval, prior to contracting out, from California Office of HIPAA Implementation (CalOHI).

b. Local Agency Requirements

Local agencies should follow their own contracting processes and use their own contract forms. The Local Agency order document must include the DGS Billing Code. If a local agency has not been assigned a DGS billing code, it should fax its name and complete billing address to (916) 375-4505.

C. MSA Contractor Performance Report

Upon completion of the contracted project, the ordering agency should complete the MSA Contract Performance Report. Send the completed form to DGS/PD, Attn: Technology Acquisitions Section, HIPAA Contract Administrator, 707 Third Street, 2nd Floor, West Sacramento, CA 95605. State agencies may also use the Contract/Contractor Evaluation Form (STD. 4).